

25 September 1985

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with [] State Department
regarding status of their supplemental retirement
efforts

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1. In discussion with [] State Department, he advised that State was moving forward with their plans to become part of the Roth/Stevens Supplemental Retirement Bill. Procedurally he stated that their inclusion would in all likelihood be in the form of a floor amendment by either Senator Lugar of the Foreign Relation Committee or Senators Eagleton or Mathias who both sit on the Foreign Relation and the Governmental Affairs Committees. The amendment would be to the Foreign Service Act to incorporate the Roth/Stevens provisions. [] stated there were two issues for them: 1) keeping a separate retirement fund for the Foreign Service, and 2) keeping the administration of the retirement processing at State Department, the latter being the more important to them.

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2. [] advised that they had no problem with Roth or Stevens on this amendment, but were getting some flack from OMB on having separate administration. There is also some concern that the amendment should be part of the Title 5 (the Civil Service Retirement Act) rather than an amendment to the Foreign Service Act. State apparently will not argue strongly for it to be part of the Foreign Service Act, if they can get separate administration.

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3. There apparently is also an additional wrinkle in that consideration is being given by the Congress to include the whole retirement issue in this year's Reconciliation Act. This is seen as a method of speeding up the process to get the legislation enacted this year. State sees this as making it more difficult to incorporate their floor amendments.

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4. In more general terms, [] stated they could live
with the Roth/Stevens Bill as long as there was a supplement
included in the annuity formula. However, it is apparent that
State is relying heavily on voluntary participation in the Thrift
Plan to achieve adequate annuity levels.

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[]
Chief, Retirement Division
Employee Benefits and Services

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Distribution:

D/Pers
DD/Pers
DD/Pers/EBS
ADD/Pers/EBS

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